

1 CHAIR JAMES: Thank you, and welcome back.

2 John, I'm going to turn to you for our next section on
3 gambling in the United States.

4 DR. SHOSKY: Thank you, Madam Chair. At Tab 4 in the
5 briefing book, there is a draft chapter entitled "Gambling in the
6 United States." According to the revised draft outline for the
7 report, the concept behind this chapter is to discuss the type
8 and prevalence of gambling.

9 CHAIR JAMES: John, can you answer me this? When you
10 were working with the new outline, you had to pool things from
11 various places to here. Can you just walk us through that
12 process?

13 DR. SHOSKY: No problem. You bet. Let me first of all
14 mention the issues that would fall within this particular
15 chapter. It would be all of the major sources of gambling. What
16 that meant was going back and pulling information from previous
17 chapters that we had been working on that dealt with the scope of
18 that particular type of gambling.

19 So, for example, in this particular chapter, we are not
20 making arguments, we're not getting involved in the issues, as
21 much as we are talking about the actual scope of particular types
22 of gambling. So it's designed, the way I understand it, to be a
23 straight-forward analysis of each major type of gambling.

24 So with that in mind, when we had to deal with the
25 issue of casinos, we took information about the scope and breadth
26 of the casino industry. We added in some figures about
27 individual communities, but we didn't get into any of the
28 argumentative issues that had been raised about casinos in this
29 particular chapter. The same thing was true with lotteries. We
30 talked about the scope of lotteries, how many states had them,

1 how much money was involved, what the different types of
2 lotteries were. We didn't look at the arguments against
3 lotteries or for lotteries, per se, in this particular chapter.

4 Convenience gambling is a slight amendment to what I
5 have been saying, where we did engage in a bit of the
6 argumentation that you would have heard in the report
7 subcommittee meeting because as you'll recall, the definition of
8 what we mean by "convenience gambling" really structured the
9 whole way that you would look at the issue. So the definitional
10 debate was a part of that discussion.

11 CHAIR JAMES: And if someone wanted to find that debate
12 in this document, John, where would they look?

13 DR. SHOSKY: If they wanted to find the debate about
14 convenience?

15 CHAIR JAMES: Well, you mentioned that you don't do
16 that on casinos in this chapter. You don't do that on -- where
17 would they find that debate in this?

18 DR. SHOSKY: They would find the debate as it comes up
19 in the chapters that follow under the particular issue. So let
20 me give you a case in point. If you wanted to look at
21 convenience gambling as a pathological problem, you would look at
22 it under gambling and addiction.

23 If you wanted to look at its mere scope, you would look
24 for it right here. If you wanted to look at it as an under-age
25 problem, then you would look for it under the discussion of
26 adolescent gambling later on. So that's how it gets fragmented
27 and separated out throughout the report.

28 The idea behind this chapter is just simply to tell
29 everybody what the lay of the land is, so to speak, on each
30 source of gambling. We cover other issues in this chapter too,

1 as you know, Indian gambling, pari-mutual gambling, sports
2 wagering, and Internet gambling. As I say, that's at Tab 4.

3 If I could just mention a couple of ancillary things
4 before we get started into any of the discussion, some of the
5 material that we received from Commissioner Dobson about
6 convenience gambling and some of the material about pathological
7 gambling we got a bit after we had constructed this chapter. I
8 do have that information and I will integrate it.

9 However, there is some earlier information that we had
10 received from Commissioner Dobson and from several other people
11 that we were able to try to put in. As well, we kept all of the
12 recommendations and the discussion about each and every one of
13 these individual types of gambling in mind when we constructed
14 the chapter.

15 But this is not a chapter that would have regulations
16 at the end of it, unlike the chapters that will follow this
17 particular chapter. So if you are looking for recommendations on
18 casinos, for example, you won't find it in this chapter. You
19 will find it as the document develops. This is a chapter that
20 just tells people what the lay of the land is.

21 But as part of the discussion that we had last time,
22 certain observations about how to present that material were
23 made, and we did try to incorporate those observations where we
24 could.

25 I guess the point I am trying to make is that much of
26 the discussion about casinos or lotteries will be found elsewhere
27 as the document proceeds. All we are trying to do here is to lay
28 out the facts and the figures for people.

29 CHAIR JAMES: With that, let's turn to that. As he
30 said, that's under Tab 4 in your binders.

1 COMMISSIONER LOESCHER: Madam Chairman, we're looking
2 at the April 22nd draft. That's what I got in the fax.

3 CHAIR JAMES: That's correct.

4 COMMISSIONER LOESCHER: Thank you.

5 CHAIR JAMES: Commissioner Wilhelm?

6 COMMISSIONER WILHELM: I had just some fairly specific
7 items, John. On page 1, in the paragraph headed "Casinos," there
8 is a sentence that says, "There are casinos on Indian
9 reservations." It would be consistent with what you have done in
10 the rest of the paragraph to say how many casinos there are on
11 Indian reservations, because you say how many casinos and other
12 kinds of things there are in other places.

13 DR. SHOSKY: Okay.

14 COMMISSIONER WILHELM: On page 5, the last sentence of
15 that long paragraph that continues on page 5, "Such availability
16 also harms economic diversification because corporations from
17 outside the state object to relocation and the environment allows
18 neighborhood gambling."

19 I am not aware of anything in our record that supports
20 that statement.

21 On page 8, I would just make the same point I made a
22 while ago about the chapter we were discussing before the break.
23 I think the use of the gross wagering number tells us nothing and
24 is misleading.

25 CHAIR JAMES: Can we stop for a minute and talk about
26 that, because it has come up a couple of times. I know that you
27 were going to be working on some specific language with
28 Commissioner Leone. What is the status of that, to help get us
29 beyond that point, John?

1 DR. SHOSKY: Well, I think that language is still to
2 come. It's obviously a very important part of what we are going
3 to do here.

4 The approach we have taken so far has been really the
5 Christiansen approach to this, which is to try to delineate as
6 clearly as we can the difference between gross wagering or the
7 handle and revenues.

8 The revenue figure from our previous discussions was
9 fairly solid, but there was much discussion about whether or not
10 the handle was a solid figure. Within the scope of the handle,
11 the \$580 billion figure that we do use in the report, some
12 subsections of that were reasonably solid and some were just
13 about as ethereal as you could get. So we still do have some
14 work to do on that.

15 But at the same time, I don't think it would be fair to
16 say that we have been lax on this either, because we have gone
17 back to Christiansen. We have consulted with a lot of people. I
18 have had two separate meetings with representatives from the
19 industry to just work on that language.

20 If I could also just mention something for the benefit
21 of Commissioner Wilhelm. The argument about availability and
22 economic diversification of corporations outside the state,
23 that's a point that was made by Mayor Jones in Las Vegas.

24 COMMISSIONER BIBLE: She has made that point in a
25 number of venues. I happened to listen to our former Lieutenant
26 Governor of Nevada, who is the chair of the Economic Development
27 Commission, and had responsibilities specifically in that area
28 make the opposite point. So I don't think the record is clear,
29 at least in Nevada's experience, as to whether that's the case.

30 CHAIR JAMES: Commissioner Dobson?

1 COMMISSIONER DOBSON: A comment or question, I suppose,
2 about the convenience gambling section. I thought it was the
3 sense of the majority of the commissioners that we have some
4 major concerns about this threat of convenience gambling. Yet
5 the tone of it doesn't seem to make that case.

6 You know, to refer at the conclusion to convenience
7 gambling as a paradoxical perversity, I understand that there is
8 difficulty in defining it, and there comes I guess the paradox,
9 but if there is strong sentiment here that we ought to make some
10 kind of powerful statement about this, as far as the information
11 that we have will support, I think it ought to be stated at the
12 end of this statement. It's not a paradox at all. It's
13 something we are very concerned about.

14 Maybe I am speaking only for myself. This is just an
15 assumption that this is a general position.

16 COMMISSIONER WILHELM: I certainly agree with Jim on
17 that point. I don't know, John, if you pursuant to your
18 beginning description of the nature of this chapter, whether you
19 had in mind doing that some other place, but either some other
20 place or here, I would certainly agree with Jim.

21 I further think in the convenience gambling section
22 that there needs to be a little more clear discussion of the
23 so-called gray area machines, which as we know, are
24 proliferating.

25 Madam Chair, if I might just finish. I had a couple
26 more little points here.

27 CHAIR JAMES: Certainly.

28 COMMISSIONER WILHELM: On page 15, I think it is worth
29 pointing out that Keno as run by lotteries is either often or
30 always, I'm not sure which is accurate, electronic. I know that

1 in California, lottery-run Keno is machines that sit in bars and
2 restaurants and stuff. I think it's worth pointing that out.

3 In the sports and wagering section, which begins on
4 page 18, I think that we need to be much more explicit about the
5 relationship between legal and illegal sports betting, or more
6 precisely, the division. That is, as we know, most sports
7 betting is illegal. I think we need to say that.

8 Then finally, on page 19, and again in the sports
9 betting --

10 CHAIR JAMES: I just want to make sure as we go through
11 and you are making these points, that number one, they are
12 getting them, and if there is any dissent, we hear it. Because
13 this is the opportunity and the time to have those kinds of
14 debates.

15 Hearing none, keep going.

16 COMMISSIONER WILHELM: My final comment is on page 19,
17 again in the sports betting section. You have this thing about
18 the purported link between the vast and growing popularity of
19 sports with the point spread. Your first sentence in that regard
20 is literally true.

21 That is, it is literally true that there are some who
22 link the vast and growing popularity of sports with the
23 increasing interest in the point spread. However, as this is
24 written --

25 CHAIR JAMES: John, can you point us to that sentence?
26 I'm sorry.

27 COMMISSIONER WILHELM: I'm sorry. It's in the middle
28 of page 19. It is the last sentence of the paragraph that --

29 CHAIR JAMES: Line number?

1 COMMISSIONER WILHELM: Oh yes, we've got lines here.
2 Nine and ten.

3 CHAIR JAMES: Okay.

4 COMMISSIONER WILHELM: Sorry about that. The sentence
5 is literally true, because there are some people who make that
6 link. Then you go on with this argument.

7 In the context in which you write this, the strong
8 implication is that the Commission believes that there is such a
9 link. I don't believe that we have information that supports
10 that. I certainly don't think that some bookie quoted in the
11 Review Journal in Las Vegas is an authoritative source.

12 I think that the -- I am a sports nut -- I happen to
13 think -- and I'm not a sports-spread nut either. I happen to
14 think that the vastly growing popularity of sports has got to do
15 with a whole bunch of things. In my personal opinion, not many
16 of which are the point spread. But more importantly, there is no
17 evidence for this other than some bookie in the Las Vegas Review
18 Journal. So I don't think it belongs there. Thank you.

19 CHAIR JAMES: You're welcome.

20 COMMISSIONER LOESCHER: Madam Chair?

21 CHAIR JAMES: The Chair recognizes Commissioner Lanni,
22 and then we will go to Commissioner Loescher.

23 COMMISSIONER LANNI: Again, if you are going page by
24 page, if I may. Page 1, line 11, third word "adopted," I think
25 there may be a better word than adopted.

26 CHAIR JAMES: Page 1, line 11.

27 COMMISSIONER LANNI: "Since 1989, casinos have been
28 adopted." I don't think "adopted" is necessarily the right word.

29 Line 13, just a typo, I think. Las Vegas, capital "L".

1 Page 2, line 4. I don't have the glossary of the
2 definitions. Do we have a definition for "full scale?"
3 Otherwise, that doesn't necessarily mean anything to a casual
4 reader, what "full scale" means. So I would suggest if we don't
5 -- and I don't think, if I recall correctly, that was in the
6 definitions.

7 DR. SHOSKY: Well, in the source that I used, there was
8 a definition for this particular category. I'll dig it out.

9 COMMISSIONER LANNI: Okay. But I mean it would be
10 helpful for the reader, because reading what's a full scale
11 casino to someone who's not familiar with it.

12 DR. SHOSKY: You bet. Absolutely.

13 COMMISSIONER BIBLE: Well, the number isn't right in
14 the first instance. It's a number of non-restricted licenses.
15 So for somebody like Leroy's, operating within some other
16 location, you are going to have two licenses on the same premise.

17 COMMISSIONER LANNI: That's true.

18 CHAIR JAMES: So 429, Bill --

19 COMMISSIONER BIBLE: 429 isn't right. There are not
20 429 casinos in Nevada. The number is quite small.

21 COMMISSIONER LANNI: That's licenses.

22 COMMISSIONER BIBLE: Some of those may be in
23 Albertson's or something, that have more than 15 slot machines.

24 CHAIR JAMES: What would be the most helpful to have
25 there? The number of licenses or the number of --

26 COMMISSIONER BIBLE: It's somewhere around 250,
27 something to that nature.

28 CHAIR JAMES: I guess I'm asking a different question.
29 What number would be more helpful to have, the number of
30 full-scale casinos or the number of --

1 COMMISSIONER BIBLE: I can get you a number. I don't
2 know what it is now, but it is going to be considerably less than
3 this 429.

4 COMMISSIONER LANNI: See individual license is given
5 for race and sportsbook and for casino gaming in the same
6 facility.

7 CHAIR JAMES: So in answer to my question, I think what
8 you are saying is the more appropriate number would not be the
9 number of licenses, but the number of facilities?

10 COMMISSIONER BIBLE: The number of facilities. It's
11 much smaller. I don't know what that number is right now.

12 COMMISSIONER LANNI: Okay. Again, this is technical,
13 but in line 11, the largest markets of the cities are Las Vegas.
14 Las Vegas actually is Clark County, is the larger issue. More of
15 the revenues come from the county than the city. So you might
16 want to have a reference to the county of Clark rather than just
17 the city of Las Vegas, because that's just limited. Those of you
18 who are out there, it doesn't even start until the stratosphere
19 going to downtown. The rest is in the county.

20 Line 18 on page 2, there is reference to 10 casinos
21 approximating 17.4 million patrons. Again, technically a number
22 of people who come to casinos aren't necessarily patrons of the
23 casinos themselves. I think that really "visitors" might be a
24 better term than "patrons," because they are not necessarily all
25 players. But that's a minor point.

26 DR. SHOSKY: That was the intention of the stuff, was
27 visitors.

28 COMMISSIONER LANNI: Page 3, line 10, is a typo.
29 "Traveling" I think has one "L" not two.

30 DR. SHOSKY: British spelling. My mistake. Sorry.

1 COMMISSIONER LANNI: Hopefully we're not named to a
2 British commission on this subject.

3 Page 3, line 12. I think when you say there, it's not
4 "would." I think it should be "could." There have been some
5 discussions by the commissioners that a 50-mile radius could be
6 considered. I mean I don't think it was really "would."

7 Page 4, line 18. Again, this is style I think. But
8 starting with the word "but," I think it's probably just better
9 "we heard" without the word "but."

10 Line 5. In fairness to the mayor of the city of Las
11 Vegas, she's not the former mayor. She's still mayor. There is
12 an election this year. But by the time this report is issued, I
13 think she still will be mayor. Her term doesn't end until --

14 DR. SHOSKY: Which page?

15 COMMISSIONER LANNI: Page 5, line 1. It says "former
16 Las Vegas mayor."

17 DR. SHOSKY: Okay. I'm sorry.

18 COMMISSIONER LANNI: I think by the time of this
19 report, she's still mayor, even though there is an election this
20 spring.

21 On lines 9, 10, and 11, there is a reference there
22 "such encounters with gambling may lead to higher rates of
23 adolescent gambling and problem pathological gambling in later
24 life." I think we need some footnote as to what source you have
25 for that particular statement.

26 Line 12, you are talking about -- or actually line 11,
27 beginning with the sentence. "Such availability also harms
28 economic diversification, because corporations from outside the
29 state may object." I think it should be "may object" rather than

1 "do object." And I think it should be "some corporations,"
2 because some corporations may not object to it.

3 So I would suggest it be "because some." Insert the
4 word "some corporations from outside the state may object to
5 relocations." I think "relocation to" rather than "in" an
6 environment. It's "to" an environment, I think.

7 CHAIR JAMES: Stop there a minute. Any objection to
8 those changes?

9 COMMISSIONER LANNI: Line 14 and 15. The sentence, "It
10 often is found in neighborhoods where the money spent on
11 gambling," you say "would otherwise be spent." I think it's
12 again "could otherwise be spent." Because we can't determine
13 exactly what they would spend the money on. Maybe they would
14 just keep the money.

15 COMMISSIONER BIBLE: Well all of these statements are
16 attributed to the mayor. Correct?

17 COMMISSIONER LANNI: Well I didn't read it that way.
18 These are exact quotes?

19 COMMISSIONER BIBLE: I think you ought to put it in
20 quotes if that's what you are attributing it to.

21 COMMISSIONER LANNI: I did not read it that way.

22 COMMISSIONER BIBLE: I think there's disagreement
23 within the community on each and every one of these sentences,
24 whether they are right or wrong.

25 COMMISSIONER LANNI: That's why I was suggesting
26 "could" instead of "would."

27 COMMISSIONER BIBLE: Just attribute them to the mayor
28 and you've solved the problem.

1 COMMISSIONER LANNI: Right. Exactly. I didn't know
2 that they were. She's not running for reelection, so that won't
3 be a problem.

4 COMMISSIONER BIBLE: Well, she'll probably run for
5 something sometime.

6 COMMISSIONER LANNI: That's probably true.

7 CHAIR JAMES: Well, I think we certainly have her
8 testimony for the record to check. If that in fact is what she
9 said, then it should be in quotes.

10 DR. SHOSKY: This portion is a paraphrase.

11 COMMISSIONER BIBLE: I think if you just make it clear
12 that that's what she is saying.

13 COMMISSIONER LANNI: But it's a paraphrase, he's
14 saying. It's not a quote. So then I would stand with my
15 recommendations of "could" instead of "would."

16 Page 6, line 19, where the references to the officers
17 of the court. I think you should define what court that is. I
18 have no idea what it is in South Carolina, but I think there
19 should be a definition of what court it is.

20 CHAIR JAMES: Do you know which court?

21 DR. SHOSKY: Well, remember when we got this
22 information, it was from some lawyers that we contacted. That is
23 what I meant by officers of the court.

24 COMMISSIONER LEONE: Officers of the court means any
25 lawyer in this state. I defer to Steve Reid, but I think if you
26 mean a representative of the court system or something, we should
27 say so, or spokesperson. But officer of the court means anybody
28 with a law degree.

29 DR. SHOSKY: I meant lawyers.

30 COMMISSIONER LANNI: You meant lawyers?

1 DR. SHOSKY: Yes.

2 COMMISSIONER LANNI: Then I would say "an attorney." I
3 think that automatically disqualifies them as being any people
4 that -- well, that's a separate issue. I support Shakespeare's
5 view of lawyers.

6 CHAIR JAMES: I think if that's in fact the case, and
7 it is factual, then we ought to be able to find a cite for it in
8 law instead of just quoting someone.

9 DR. SHOSKY: Well, there is a slight problem with that
10 though. I mean we tried to do that. The problem is the way the
11 law is written. It allows for things to take place that it's not
12 easy to describe in the law.

13 Here is what I mean. It is the omissions, not the
14 actual way the law is worded that creates the problem. So to
15 pull language from the statute, we would have to analyze the
16 language and show where the gap is. We can surely do that, but
17 it's more omission than commission in the sense of the law
18 itself.

19 COMMISSIONER LANNI: On page 8 --

20 CHAIR JAMES: I don't want to leave that just yet.

21 COMMISSIONER LANNI: Oh, I'm sorry.

22 CHAIR JAMES: That's okay. I am just a little
23 uncomfortable leaving that language as it is, and would only
24 suggest that if we are going to include that, then we find an
25 appropriate cite for it.

26 DR. SHOSKY: Surely.

27 COMMISSIONER LANNI: I agree. Page 8, line 9, you
28 refer to 554 federally-recognized tribes. I think you might want
29 to put in there as of what date that was a determination.

30 DR. SHOSKY: It's in the footnote.

1 COMMISSIONER LANNI: Oh, it's in the footnote?

2 DR. SHOSKY: Yes.

3 CHAIR JAMES: March 4, 1999.

4 COMMISSIONER LANNI: No. That's the date of the oral
5 -- isn't that the date of the oral communication with Bureau of
6 Indian Affairs?

7 DR. SHOSKY: That's right. We called to get the latest
8 number.

9 COMMISSIONER LANNI: So as of that date, that was the
10 number?

11 DR. SHOSKY: Yes, sir.

12 COMMISSIONER LANNI: Page 11, line 7. You say, "In
13 ancient Rome more than 2,000 years ago, lotteries helped finance
14 public works and costly wars." Well it may have been more costly
15 if they hadn't fought the war and succumbed. So I'm not so sure
16 I would use the word "costly." There's winners and losers in
17 wars, but they have varying levels of costs.

18 DR. SHOSKY: But there is one amendment I made on this
19 that might please you. It was Julius Caesar, and I didn't know
20 that you wanted me to mention Caesars.

21 COMMISSIONER LANNI: Well I was with Caesars for 18
22 years as chief operating officer. I have no problem with it.

23 DR. SHOSKY: Okay.

24 COMMISSIONER LANNI: He was pretty successful in his
25 wars. He just didn't do very well when he got into the round
26 Brutus.

27 Page 12, when you refer to the -- I think this is the
28 carry over from page 11 at the very end. You need to put "By
29 1999, 37 states," but you also need the District of Columbia is
30 missing there. So I think that needs to be added.

1 CHAIR JAMES: I'm sorry, Terry. What?

2 COMMISSIONER LANNI: It's 11, actually, going into 12.

3 CHAIR JAMES: Got you.

4 COMMISSIONER LANNI: You need the District of Columbia
5 also.

6 I better read my own notes. This could be very
7 difficult.

8 DR. SHOSKY: By the way, may I ask a question here? We
9 had a bit of a debate about this, thinking that each time that we
10 mentioned which states had legalized a particular form of
11 gambling, that possibly we should include that in the footnotes,
12 which states those are.

13 One of the graphics that we're recommending is a map on
14 each one of these things to show for all forms of gambling, and
15 then for individual forms of gambling, which states have
16 legalized and which haven't. So there would be a listing in the
17 footnotes if that's what you wanted to do and/or there would be a
18 visual for people to consult as well, if that's what you wanted
19 to do.

20 COMMISSIONER LANNI: On page 12, lines 8 and 9, this is
21 more of just a comment. When we take a look at comparisons, in
22 this case it's from -- this is having to do with expansion of
23 lotteries, states had to increase per capita sales from \$35 per
24 capita in 1973 to \$150. I think it should be "in 1997" not "on."

25 But having said that, I was thinking we really don't
26 take into account anything to do with inflation, constant
27 dollars, and things of that nature. I just wonder if we want to
28 address that or not, because obviously \$35 compared to \$150, \$150
29 is not the same as it would have been in 1976. That's in

1 different areas. It is just something that I think the staff
2 might want to look into, that constant aspect.

3 CHAIR JAMES: Or if you don't do that, at least make
4 that note.

5 COMMISSIONER LANNI: So note. Yes, exactly. That's
6 all I'm saying.

7 On line 11, "Lotteries are established and run" -- I
8 would put in there exclusively by state governments, because they
9 are exclusively state and district governments.

10 COMMISSIONER LEONE: That's actually no increase at
11 all, doing it in my head. So we should use the deflator.

12 COMMISSIONER BIBLE: It's unchanged in real dollars?

13 COMMISSIONER LEONE: In constant dollars, I wouldn't --
14 don't hold me to this, but --

15 COMMISSIONER LANNI: It's pretty close.

16 COMMISSIONER LEONE: I think the deflator from -- I
17 think in constant dollars, it is unchanged per capita sales. I
18 mean I believe that it ought to be a law that you have to do this
19 every time you use historical numbers.

20 COMMISSIONER LANNI: So do I.

21 COMMISSIONER LEONE: Otherwise, we all get badly
22 mislead.

23 COMMISSIONER LANNI: I just think that you might want
24 to put exclusively run by governments, state governments and the
25 district governments, in the case of the District of Columbia.

26 COMMISSIONER LEONE: Unless it's run by Congress, I
27 don't know who runs -- who runs the lottery here?

28 CHAIR JAMES: In the District of Columbia.

29 COMMISSIONER LANNI: Who runs it in the District? Is
30 it run by the Congress?

1 COMMISSIONER WILHELM: Frank Wolf runs it.

2 (Laughter.)

3 COMMISSIONER DOBSON: Terry, would you yield right at
4 that point, right there?

5 COMMISSIONER LANNI: Sure.

6 COMMISSIONER DOBSON: That next sentence.

7 DR. SHOSKY: Yes. There's a mistake in the next
8 sentence.

9 COMMISSIONER LANNI: Oh, I didn't even try on the typo.

10 COMMISSIONER DOBSON: I have that. It's missing words.
11 It doesn't make sense.

12 DR. SHOSKY: No. It doesn't make sense because the
13 wrong word is there. The word should not be "profits." The word
14 should be "lotteries." "Lotteries are used for" --

15 COMMISSIONER LANNI: I noticed the same thing. It
16 doesn't make any sense.

17 CHAIR JAMES: I would remind commissioners that as we
18 go through this process, you all were given forms for typos,
19 technical errors and that sort of thing, because you will
20 continue to find them.

21 COMMISSIONER LANNI: I apologize, but I didn't get
22 these back in time.

23 CHAIR JAMES: No, no, no, not at all. That's not my
24 point.

25 COMMISSIONER DOBSON: I didn't know that was a typo. I
26 thought they were trying to say something and I didn't know what
27 it was.

28 CHAIR JAMES: That was not a typo, but it just reminded
29 me of the fact that even after we leave this table today, you

1 will probably continue to find more of those. Just keep sending
2 them in, is the only point I will make.

3 COMMISSIONER LANNI: These, I haven't gotten to. I
4 have sent a number in, but these I hadn't gotten to in time. I
5 did it on the plane ride out.

6 Page 13, line 12, a typo. I think that "Madison" needs
7 to be capitalized for "Madison Avenue."

8 More substantive. On line 17, on page 13, we haven't
9 defined "principal." It says, "While lotteries are a principal
10 source of state revenue," I don't know, I mean we haven't defined
11 it. Maybe we need to define what "principal" means.

12 CHAIR JAMES: And I have heard some states argue that
13 as a percentage of their overall budget, it is really quite
14 small.

15 COMMISSIONER LANNI: It varies. I think it's very high
16 in some states, like New Hampshire. But it's very small when you
17 look at California, which has a staggering budget.

18 DR. SHOSKY: Yes. The point I was trying to make,
19 which I don't think I have made very well at all, is that in the
20 Cook and Clotfelter report, they make the claim that states argue
21 that a major source of funding would be the lotteries, but that
22 in terms of actual contributions, as you know, then the rest of
23 the paragraph kicks in. It's really not that much.

24 COMMISSIONER LANNI: You do refer to it in the
25 footnote. Maybe it covers it.

26 DR. SHOSKY: Let me work to clear that up.

27 COMMISSIONER LANNI: On page 14, again, to continue
28 that thought, that I think you need to work on the second part of
29 the sentence. "Contributions to state budgets are exceedingly
30 modest." I mean it does range. That's an issue there.

1 The next line, on page 14, line 2, again, I think we
2 need consistency. Instead of 38, it should be 37 states and the
3 District of Columbia rather than the 38 states mentioned here.

4 On page 15, line 9, is a typo. It's not "betters and
5 lessors" as bettors and lessors, but better is O-R-S instead of
6 E-R-S. I don't think you meant to suggest something other than
7 that.

8 Page 16, line 16, just to give you a little factual
9 background. The term "pari mutual" actually came, even though
10 you have got the direct literal translation, pari mutual came
11 from a very interesting thing. It came from the racetrack at
12 Longchamps outside of Paris. It was the first racetrack that had
13 a mutual pool.

14 The reason they call it pari mutual is "Paree." It was
15 really P-A-R-E-E, but they modified it to make it P-A-R-I. So
16 they went to a literal translation. It really came from the fact
17 that they had the first windows and mutual wagering at that
18 racetrack in the 1920s or so, for whatever it's worth.

19 CHAIR JAMES: Terry, your contributions to this never
20 cease to amaze me.

21 COMMISSIONER LANNI: It's amazing, I know. It probably
22 will require one more trip to Paris to verify that. Maybe at
23 Commission expense. That would be nice.

24 Page 17, line 1, is that "betters" again. Spellcheck
25 doesn't get the word if it's a word, even if it doesn't make any
26 sense when you apply it.

27 Line 3, as much as I breed and raise thoroughbreds, I
28 don't race myself. It says, "And the horsemen who race." It's
29 race horses. We don't race against each other, although we're
30 probably faster than most of our horses.

1 (Laughter.)

2 COMMISSIONER LANNI: Page 18, at line 8, I think we are
3 missing a word there. "Overall, the Commission that the annual
4 impact" is kind of missing something there. Maybe it's "learned"
5 or "understood" that the annual impact for the pari mutual
6 industry. Something is missing. It's missing a word. Line 8
7 needs a little work.

8 Page 19, line 1, I'm sure Leo will disagree with me on
9 this. But you have "professional bookies." If you take a look
10 at it, we do have legalized bookmaking in three states as
11 authorized, even though it only operates in two, the state of
12 Oregon and the state of Nevada. Delaware has approved that form
13 of sports wagering.

14 When you say "professional," I think they are
15 bookmakers. If they are non-professionals, maybe they are
16 "bookies," but I can live with it. It's not the end of the
17 world. That's kind of strange.

18 CHAIR JAMES: Let's say bookmakers.

19 COMMISSIONER MCCARTHY: What would you like?

20 COMMISSIONER LANNI: Bookmaker.

21 CHAIR JAMES: Bookmakers.

22 COMMISSIONER LANNI: But maybe then you'll think they
23 are binders or something. I don't know. That would go if you
24 would agree, on page 20, line 2, a style of wagering more
25 attractive. If you want to put bookmaker, legalized bookmakers
26 and bookies, I don't really care. But there is a distinguishing
27 factor.

28 CHAIR JAMES: I would not want to disparage the
29 profession.

1 COMMISSIONER LANNI: On page 20, line 9, I think more
2 substantively, when you talk about sports book operators attempt
3 to equalize the total amount of bets on both sides, I think it's
4 either side of the book, and avoid a push. That's just something
5 that is very strange to me.

6 It is really not a push, because what you do at that
7 point, is because the vigorish, the 10 percent that you take on
8 each bet, you try to really balance the books of people who bet
9 on one side and bet on the other side so that you automatically
10 win the vigorish. You don't take any risk.

11 It's not really -- I think the language needs to be
12 worked on there. It isn't right. Maybe Bill could help you with
13 that since he's regulated that for so long. If someone reads it,
14 they are going to be very confused. I know I was.

15 Page 21. It's line 1. "At a time when the volume of
16 sports betting has increased and the sports book when has dropped
17 from 7.34 percent to 4.2 percent in the years" -- I think there
18 you have got to say what -- to a casual reader they don't know
19 what that means, "has dropped from 7.34 percent" of what. Of the
20 amount wagered I think is the issue, "to 4.2 percent in the years
21 from 1975 to 1996."

22 You know what you can do on bookies and bookmakers, is
23 what you do with gaming and gambling. Like every other time you
24 use it, since you use it a lot, we could use bookies and
25 bookmakers.

26 COMMISSIONER LEONE: I did figure out a name for your
27 new casino in Detroit.

28 COMMISSIONER LANNI: What is that?

29 COMMISSIONER LEONE: The Nathan.

1 COMMISSIONER LANNI: The Nathan. Nathan, Detroit. I
2 know Nathan, Detroit.

3 COMMISSIONER LEONE: Guys and Dolls.

4 COMMISSIONER LANNI: Yes. When it comes to page 21,
5 more substantively, on line 6, again, the difference between a
6 legalized sports bookmaking situation and an illegal is that you
7 are correct here.

8 A bookies' is based upon his instincts or her instincts
9 and judgements, whereas in a legalized form in Nevada, it's
10 really based upon legalized odds makers who provide the odds to,
11 or the lines, if you will, to the individual books.

12 Are they licensed?

13 COMMISSIONER BIBLE: They are now required to.

14 COMMISSIONER LANNI: They are?

15 COMMISSIONER BIBLE: Yes.

16 COMMISSIONER LANNI: So there are licensed people in
17 the state of Nevada, for example, who provide to the individual
18 legalized books, sports and race books, at least the sports
19 books.

20 COMMISSIONER BIBLE: The opening line.

21 COMMISSIONER LANNI: The opening line is exactly what
22 it is. There is a difference there.

23 CHAIR JAMES: But I think it would be helpful to have
24 both. In illegal, it's based on instinct and judgement, and for
25 --

26 COMMISSIONER LANNI: Right. That's what I was saying.
27 Then the other is actually from licensed individuals. For
28 whatever it's worth, I don't think it's a major issue.

29 A technicality. Page 21, again. Line 15. The
30 individuals we mentioned here are actually former professional

1 athletes. Not that there aren't existing professional athletes
2 who may have admitted to it, I don't know. But the ones
3 mentioned here are former.

4 Page 22, line 6. You kind of got into capitals. So I
5 think "Black Socks" capitalized is correct, but "scandal" doesn't
6 need to be capitalized.

7 COMMISSIONER BIBLE: Is there a more recent example?
8 Do you have to reach back to 1919 for an example?

9 DR. SHOSKY: I don't have to. That's the one that
10 people usually start with.

11 COMMISSIONER MCCARTHY: He's a friend of George Wills.

12 COMMISSIONER LANNI: Page 23, line 2.

13 CHAIR JAMES: Before we leave that, is there a more
14 recent one that commissioners think may have a greater impact on
15 the public?

16 COMMISSIONER LANNI: The more recent ones in
17 basketball. I can't remember the teams, but there are more
18 recent ones.

19 CHAIR JAMES: Northwestern is one, Dr. Moore is saying.

20 COMMISSIONER MOORE: Boston College.

21 COMMISSIONER LANNI: I just hate to have a Jesuit
22 institution in there. But if you want to do it, I'll let the
23 Jesuits know that you've suggested that.

24 DR. SHOSKY: If I could just mention one thing though.
25 Perhaps it might make more sense to bring footnote 49 up into the
26 text though, if we decide to continue to talk about the Black
27 Socks scandal.

28 CHAIR JAMES: Forty nine or 39?

29 DR. SHOSKY: Footnote 49. The reason for it is if
30 somebody threw the World Series today, the repercussions would

1 just be unbelievable, or the Super Bowl. It was really not just
2 for historical reasons that I mentioned this, but for the fact
3 that the shock waves from the scandal continue to reverberate to
4 this day.

5 If we could find modern -- we have cases on page 24 of
6 current examples where people have been influenced by gamblers or
7 point shaved, but what I was trying to get across here was just
8 can you imagine what would happen if such a thing took place
9 today. Maybe we could take the language from the footnote and
10 work it in here to give more weight to the scandal.

11 COMMISSIONER WILHELM: Actually, it was a pretty big
12 deal then.

13 COMMISSIONER LANNI: It was huge.

14 COMMISSIONER MCCARTHY: It was big enough to make a
15 movie out of it not too long ago, I guess, which was seen by a
16 lot of younger people who were not of that age. Only a couple of
17 us were around in 1919.

18 COMMISSIONER LANNI: I have no comment on that.

19 Page 23, line 2. This may have been a Freudian slip.

20 DR. SHOSKY: No, no.

21 COMMISSIONER LANNI: Let me read it for the record.
22 "The same study found that 3.7 percent of the student athletes
23 surveyed had placed bets on game sin" rather than "games in."

24 DR. SHOSKY: It's just a mistake with spaces.

25 COMMISSIONER LANNI: I know you think all gaming is
26 sinful. That's all right.

27 Page 23, line 9. I think there's an extra word in
28 there. "Has admitted his part in a scheme to concerning."

29 DR. SHOSKY: Yes. The "to" should be taken out.

1 COMMISSIONER LANNI: Again, I apologize for taking the
2 time of the commissioners. I just didn't have a chance to review
3 this until later.

4 Page 24, line 7, has another one. "Sports Illustrated
5 called college betting rampant."

6 DR. SHOSKY: Right. Wipe that out.

7 COMMISSIONER LANNI: Coming to an end. Page 25.

8 COMMISSIONER MCCARTHY: I think if we attach, say a \$5
9 fine for each one of these --

10 COMMISSIONER LANNI: Page 25, line 5, at the end of
11 that where you quote, I think there should be a reference to the
12 source. "There is some worry that gambling by students may lead
13 to problem or pathological gambling in latter life." What is the
14 source? I mean we have to have a source for that?

15 DR. SHOSKY: Okay. Thank you.

16 COMMISSIONER BIBLE: But also that college gamblers
17 started as adolescents. Most people start as adolescents.

18 (Laughter.)

19 COMMISSIONER WILHELM: They pass through that at least.

20 COMMISSIONER LANNI: No one wants to recall that aspect
21 of one's history.

22 Page 26, line 8. I think you have "gambler" where it
23 should be "gamble." "Phenomena" has obtained an extra letter I
24 think, compared to what my dictionary would say. I think that's
25 N-O-M-E-N-O- N. I can check that.

26 Line 16 is missing a T-A-N. It's "instantaneous." I
27 don't know what you have.

28 Page 27, line 8. You just have line in financial
29 connective. There needs to be space in between.

1 COMMISSIONER DOBSON: Madam Chairman, may I ask for a
2 point of clarification?

3 CHAIR JAMES: Absolutely.

4 COMMISSIONER DOBSON: Would it not be quicker for the
5 entire Commission to take a document where there are just typo
6 changes to be submitted? There's no discussion, no debate, or no
7 controversy.

8 COMMISSIONER LANNI: Jim, I apologized beforehand,
9 saying that I hadn't had a chance to review this one. That's why
10 I'm doing it. I have sent a number of others to John, as he will
11 verify. I apologize to the Commission. I have three more and
12 I'll be quiet, which I know will please a number of people here.

13 Page 27, line 16, I think drop the word "by." A
14 separate study combined.

15 Page 28, line 7, I think where you have "the beginning"
16 "in the beginning," it's "by the beginning." That's it. I
17 apologize.

18 CHAIR JAMES: Let me go back and ask at this point,
19 first of all, if there are any other technical or typing errors.
20 Please, you have two?

21 COMMISSIONER MCCARTHY: Not technical or typing.

22 CHAIR JAMES: Well I'm going to ask that if you do
23 find, and again, I'm sure that as we go through this process,
24 that may happen. Please feel free to call.

25 Now I want to look at thematic, tone, or policy
26 objections that you may have with where this particular chapter
27 is. The Chair will recognize Commissioner Leone, Dobson, and
28 then Loescher, in that order.

29 I'm sorry. It was McCarthy that I meant. I didn't see
30 you. I'm sorry, Dick.

1 COMMISSIONER MCCARTHY: Just two things factually.
2 One, it might be useful, I was thinking of this in terms of
3 asking this question. I didn't see it in here that you mentioned
4 the three states where - - I'm trying to remember the term you
5 used. It might be useful to mention the three states where
6 lawful sports wagering is allowed. I know Nevada, and Delaware?

7 COMMISSIONER LANNI: It's Nevada, Delaware, and Oregon.
8 Oregon is tied to their lottery.

9 COMMISSIONER MCCARTHY: Somewhere in here it might be
10 useful to refer to that so people who read this get a sense of
11 where it's allowed and where it isn't.

12 The other thing I was going to ask about was do you
13 refer anywhere, and I'm not sure this is the right section, but
14 we heard testimony when Bob Costas testified, I think, we had
15 some back and forth here about certain kinds of advertising being
16 done by some professional sports. I remember pro football
17 particularly, at least advertising by trade associations. Is
18 that anywhere in?

19 DR. SHOSKY: In response to that question, the answer
20 is no. We don't have that in the report at the moment. We
21 surely could.

22 CHAIR JAMES: Commissioner Dobson?

23 COMMISSIONER DOBSON: John, explain the structure to me
24 again, because as I indicated earlier, I am struggling with that
25 a little bit. The absence of recommendations in this section
26 bothers me, unless you have got some reason for that, that they
27 appear some place else.

28 For example, the recommendations and the conclusions of
29 Cook and Clotfelter are obviously not referred to here. Is that
30 in another section?

1 DR. SHOSKY: Yes. Let me go through the structure one
2 more time, because in a way, it also answers the first issue
3 raised by Commissioner McCarthy.

4 The idea behind this particular chapter is not to talk
5 about the prevalence of gambling as an industry, and to talk
6 about the different components. In the first chapter, you get
7 the macro view. Here you get the discussion as to the scope,
8 type of gambling, by type of gambling, by type of gambling. Then
9 the issues come up thematically in the development of the rest of
10 the report.

11 So there should be nothing argumentative in this
12 chapter at all. It should just simply be sort of the lay of the
13 land kind of thing. So that's why there are no recommendations
14 here, for example, because the recommendations would come with
15 the relevant discussion, as the document continues.

16 For instance, when we talk about regulation, that is
17 where we mentioned the states where sports wagering is legal and
18 where it is not. Before, everything was just in one chapter.
19 Now it's segmented.

20 COMMISSIONER DOBSON: If that confused me, it may
21 confuse the reader, who hasn't even sat through all this. I
22 think there ought to be some indication that these topics will be
23 discussed in greater detail. Otherwise, people will turn to the
24 lottery here and think that's the end of what we have to say on
25 that subject.

26 CHAIR JAMES: That would be in the introduction, Jim,
27 where it sort of lays out the flow of the document.

28 COMMISSIONER LEONE: I think you might need a different
29 name for this chapter, because it sounds like it's a description

1 of what's going on in America. It's really more an encyclopedia
2 of legalized.

3 COMMISSIONER DOBSON: Going to the sports wagering
4 section, as I read it, now I may have missed something, but
5 there's no reference in there to the illegality of much of sports
6 wagering. I don't believe there's any reference to the fact that
7 much of this is unlawful.

8 DR. SHOSKY: You're right. As it reads now, that
9 reference isn't there. That comes in the next chapter on
10 regulations.

11 COMMISSIONER DOBSON: I definitely think that ought to
12 be stated there, because who knows what that ratio is, but I
13 think most of us agree, it's probably much greater than legal
14 activity with regard to sports.

15 COMMISSIONER LANNI: Jim, there are some numbers
16 actually from the sources that we had presented to us as
17 estimates of the illegal compared to the legal. That might be a
18 good place to put it in there also.

19 COMMISSIONER DOBSON: I would like to see it there.

20 Look on page 9, line 9. This is a ticky tack, but as I
21 understand it, all of the witnesses have come at their own
22 expense. Have they not?

23 DR. KELLY: Actually, in some cases we did help out.
24 Those witnesses who asked --

25 COMMISSIONER DOBSON: They were exceptions though.
26 Most people came at their own expense?

27 DR. SHOSKY: Dr. Kelly, let me just stop you for a
28 moment. I think you better look very carefully at the paragraph
29 because he is not talking about witnesses in front of the full
30 Commission. He is talking about subcommittee.

1 DR. KELLY: Oh, you're talking about subcommittee.

2 COMMISSIONER DOBSON: I'm talking about page 9, line 9.
3 It should be noted that these tribal members came to speak to us
4 at their own expense or at the expense of their tribe.

5 DR. KELLY: Yes. That's accurate.

6 COMMISSIONER DOBSON: That is accurate, but is it also
7 accurate of most other people who came?

8 CHAIR JAMES: There is a distinction, Jim, I think
9 between those experts that we asked to come and give testimony as
10 witnesses and those individuals who spoke at public comment
11 periods. So there is a mix.

12 If we asked somebody to come because we wanted the
13 benefit of their testimony, in many cases they said well you'll
14 have to help with the transportation. I think the distinction
15 you are making here are those individuals who spoke at public
16 comment periods who came at their own expense to offer their
17 stories and tell their stories. Is that the case?

18 COMMISSIONER DOBSON: I support this sentence if it
19 does apply only to Indian tribal participants. My impression is
20 that that comment will apply to an awful lot of people. So why
21 single out that particular constituency?

22 DR. SHOSKY: If I could weigh in here for a moment.
23 There's three things that I would respond. One will seem not
24 relevant at the moment, but it might be a bit later.

25 The idea behind including this information is to show
26 the weight of material that was presented to the Indian
27 Subcommittee, the large numbers of people who came and at their
28 sacrifice. That's just one point.

29 Second point. In some of the other subcommittees, and
30 I may be speaking in error and I'm willing to be corrected on

1 this, but there were a couple of cases where we did provide some
2 assistance to people who we needed to have come to those
3 subcommittees.

4 I think that may have been true with the Research
5 Subcommittee, and I think that might have happened at least once
6 with the Internet Subcommittee, but it didn't happen here.
7 That's just a point of fact.

8 The third point which I think really gets to the heart
9 of what you are saying, is while this section is about Indian
10 gambling, in other sections if we had large numbers of people
11 come at their own expense and present information to us, I
12 understand you are saying that we should make that point as well.
13 I have not done that in the report. That is my mistake, because
14 I have not done that.

15 COMMISSIONER DOBSON: This could easily be modified to
16 indicate as did many other groups and constituencies.

17 COMMISSIONER LANNI: I think Jim's point is very well
18 taken. I'm not so sure it adds anything by saying this. I think
19 what you need to point out is the other issue, that we should
20 disclose to the public as we're funded by the public, that
21 certain amounts of funds were used to bring people in. I think
22 that is more important than giving a nice little thing saying
23 these people came in at their own expense.

24 I think we're more responsible for the use of public
25 funds. I think we could delete the other reference and just the
26 assumption is people have paid or organizations have paid to
27 bring people in. The real issue is, what funds of the Federal
28 Government did we utilize to bring people in. I think that
29 should be designated with some probably delineation of the dollar
30 amount.

1 COMMISSIONER DOBSON: I would agree with that. Thank
2 you, Madam Chair.

3 CHAIR JAMES: Commissioner Loescher.

4 COMMISSIONER LOESCHER: Madam Chair, in a number of
5 comments, not as specific as Mr. Lanni's, but looking at the
6 casino section, you know, there's a couple of features. I don't
7 know how or if they should be incorporated, but the
8 characterization of the casinos are interesting. We use the word
9 "resort casinos" and we don't distinguish between casinos that
10 are investor owned, privately owned casinos versus
11 government-owned casinos, which are tribal government. That's
12 one feature.

13 One of the things that I think is lacking here is the
14 fact that the investor-owned casinos are what they are. They are
15 investor owned. That distinguishes them from other kinds of
16 gaming. That characterization isn't in here.

17 The other thing is that we talk about the revenues in
18 these casinos and the number of patrons, but we don't talk about
19 two others things, that capital investment in these facilities
20 and also the number of employment. If you are just describing
21 these things generally, I think those are helpful features for
22 people to understand. You might consider that. I don't know how
23 Mr. Lanni would feel about that.

24 COMMISSIONER LANNI: I think that's fine.

25 COMMISSIONER LOESCHER: I think there's tremendous
26 assets involved in all of these facilities, and the
27 characterization of them is important because the investor-owned
28 aspect denotes another part of the public involvement in
29 investment in casinos.

1 The employment issue is a statistic that might be
2 helpful in just the general description of this thing. We offer
3 those.

4 The other thing that I offer --

5 CHAIR JAMES: Any discussion or questions on this?

6 DR. SHOSKY: Yes. I hate to interrupt. I don't mean
7 to be rude. As far as the amount of money involved and the scope
8 of the casino industry, the employment figures and the revenues
9 and all of that is included in the later chapters that
10 specifically discuss that issue. I could easily put those
11 figures in here. We have them and they are in the report, it's
12 just they show up a little bit later.

13 We do also have that investment material. I did not
14 put that in. I could easily do that, if you would like.

15 COMMISSIONER LOESCHER: Madam Chairman, it's the
16 characterization. It's just a few words, you know, the privately
17 held investor-owned commercial casinos. It's a nomenclature that
18 people will understand, and also says a lot of things in just a
19 few words. I think the investment community should be recognized
20 for what they have done here.

21 CHAIR JAMES: I don't hear any objection to that.

22 COMMISSIONER LOESCHER: Madam Chairman, in one line or
23 two just dealing with employment I don't think hurts anything
24 here either. Consistently, not just in casinos, but all the way
25 through every section.

26 CHAIR JAMES: For the record, it has to be Commissioner
27 Loescher that got it in before lunch.

28 COMMISSIONER LOESCHER: I didn't see Mr. Wilhelm. I
29 was concerned.

1 CHAIR JAMES: I was going to say jobs at least three
2 times before 12:00, but thank you for having done that.

3 COMMISSIONER LOESCHER: Madam Chairman, I have a couple
4 more observations.

5 CHAIR JAMES: Absolutely. Please go right ahead.

6 COMMISSIONER LOESCHER: Madam Chairman, I have just a
7 little problem, and I don't mean to be demeaning to any writers.
8 But there are a number of things, when you read all these papers,
9 that are sort of left out in the beginning and the end.

10 One is the recognition that this report is going to the
11 President, to state governments, to the Native American tribal
12 governments, and what not. That is not consistent throughout the
13 report. I noticed that. There is an oversight, and that needs
14 to be corrected.

15 The other is --

16 CHAIR JAMES: John wanted to respond to that.

17 DR. SHOSKY: May I address these as we go through them?
18 There's language that we have developed. My understanding is,
19 based on the other commissions I have worked on, and we looked at
20 a large sample of past commission reports from a variety of
21 commissions, that point is explicitly made typically at the very,
22 very, very, very beginning of a report in the transmittal letter,
23 which sets out that very argument as to why the report is being
24 given to whoever it is supposed to be given to, in this case the
25 Congress, the tribal nations, and the President.

26 Rather than it being absent, when the report is finally
27 put together with the transmittal letter and the introduction,
28 that would be precisely the very point that the whole report
29 begins with and the whole report would, in point of fact, prove
30 that point by being delivered to these people.

1 So the reason you don't see it in part is because the
2 transmittal letter has not been finalized yet. But that is the
3 purpose and point of the transmittal letter.

4 CHAIR JAMES: I think, however, even though we are
5 talking about where it will be transmitted, that if we ever
6 mention governments, that it would be appropriate to make sure
7 that we include tribal governments as well, and that should not
8 be left out.

9 DR. SHOSKY: Thank you.

10 COMMISSIONER LOESCHER: Madam Chairman, moving on.

11 CHAIR JAMES: Yes.

12 COMMISSIONER LOESCHER: Again, it's just nomenclature
13 again. You have a section on Indian gaming. Some Indians get
14 offended by the use of that, the Native American tribal
15 government gaming. It's just kind of demeaning the way you have
16 used it.

17 CHAIR JAMES: Bob, can you point that out? I just want
18 to circle it so I know where to look for it to make sure.

19 DR. SHOSKY: Page 7, the title. And every mention from
20 that point on, I would imagine. Is that right?

21 COMMISSIONER LOESCHER: Yes.

22 DR. SHOSKY: May I explain just simply why we chose
23 these words. These are the words in the legislation.

24 COMMISSIONER LOESCHER: Madam Chairman, I do not
25 believe he is correct on that.

26 DR. SHOSKY: Okay. If I'm wrong I apologize to you
27 profusely.

28 COMMISSIONER LOESCHER: It just shows kind of an
29 attitude. We are trying to change that in America by Native
30 American people. We are talking about Native American tribal

1 government gaming. If you use tribal government gaming, you will
2 be better off. We would appreciate that.

3 COMMISSIONER LANNI: I think we want consistency also.

4 COMMISSIONER LOESCHER: Madam Chairman, just I have a
5 problem, Madam Chairman. I'll be persuaded as we go later I
6 guess through this thing, but I have the same problem as Dr.
7 Dobson and others do about this section, and then where the rest
8 of it is. I think we are deluding the impact -- de-looting the
9 impact of what is and what we have found and what we recommend by
10 scattering this business all the way through this new format.

11 I just want to say to you at this point that I have a
12 problem with the way it is. You know, for instance, the lottery
13 business. I read Commissioner Leone's paper on his thoughts and
14 recommendations about lotteries. I think it would have a lot of
15 punch here if it was included somehow in this section so people
16 can look at lotteries and say well, this is what it is, and this
17 is what they found, and this is what they recommend. But
18 apparently there's some other kind of formatting here that we all
19 are going to choose to do.

20 COMMISSIONER DOBSON: Bob, may I weigh in on that?

21 COMMISSIONER LOESCHER: Yes.

22 COMMISSIONER DOBSON: I really feel strongly about
23 that. People are going to pick up this document and try to read
24 what we have had to say about a specific issue. You see
25 lotteries there, and you look at it, and you don't come up with a
26 whole lot because it's scattered throughout the organization. I
27 really have a problem with the structure that we're talking
28 about.

29 I look through what's left here, that we're going to
30 talk about today. I guess sports wagering, for example, will go

1 under gambling's social impact. I don't know how anybody could
2 find it in there.

3 If we are going to have a section on sports wagering,
4 deal with that section and take it on through. Don't dink around
5 with it and then make people look for it elsewhere throughout.
6 That seems to be a problem for me.

7 CHAIR JAMES: I think there may be a little bit of
8 confusion, and we should probably straighten that out in terms of
9 the draft outline for the report and today's agenda.

10 Because if you look on page, under Tab 2, page 1, you
11 see the outline. Turn after your first page there. Turn the
12 page again. Then you'll see the outline of the report, where you
13 see "Gambling in the United States, the Type and the Prevalence."

14 Then you see "Regulating Gambling." Then you see
15 "Commercial Gambling." You see "Casinos, Convenience Gambling,
16 Pari Mutual, and Sports." I mean that is -- if you wonder where
17 things are, don't look at the agenda for today's meeting. Look
18 at the outline of the document. Does that make sense?

19 COMMISSIONER DOBSON: That does in terms of the way
20 it's outlined.

21 Bob, I apologize to you for taking it away from you,
22 but can I finish this?

23 CHAIR JAMES: Sure.

24 COMMISSIONER DOBSON: Tell me where in our procedure
25 then those things are going to be talked about. We've got one
26 more meeting. The recommendations for the things that we're
27 talking about today are not on this agenda.

28 CHAIR JAMES: No. We have had three meetings where we
29 as a commission went through each of these subject areas and came

1 to some sense of consensus or developed recommendations, which
2 John has tried to incorporate, and then put in these structures.

3 You now have in front of you all of what we have done,
4 put in this new format. So it should be in here. If you did a
5 complete read-through of this outline right now, you should be
6 able to find everything that we have talked about. Is that the
7 question you are asking, Jim?

8 COMMISSIONER DOBSON: Well, there are two questions.
9 One is how is it organized, and is that the best way to organize
10 it? The other one is, is our procedure and how we're going to
11 talk through the things that we have just agreed are not in this
12 document.

13 CHAIR JAMES: The best way to answer that in terms of
14 -- is how it's organized is here's the outline, and how are we
15 going to get there is what Dr. Kelly went over this morning in
16 terms of our outline and where we should go.

17 We realize that looking at an April 30th deadline for
18 having a completed draft is a little unrealistic, and that it is
19 going to require that we do a great deal of work between now and
20 then to get to that point.

21 But in terms of how it's outlined, I would ask again
22 that maybe Dick take a second to talk about the structure, why it
23 was developed this way, and to make it a more readable document,
24 why we came to this.

25 Do you have a question, Tim?

26 DR. KELLY: No. I thought, just a quick comment, Dr.
27 Dobson. Regulating gambling is the section under which sports
28 wagering comes. Now we will be discussing that this afternoon.
29 So that would be your opportunity to have input.

30 COMMISSIONER DOBSON: And the lottery recommendations?

1 DR. KELLY: I believe that falls under that as well.

2 COMMISSIONER LANNI: But Tim, I think it's also under
3 section 2, if you look at it. It's in two sections.

4 DR. KELLY: Well again, this is part of the contention
5 --

6 COMMISSIONER DOBSON: That's what bothers me, is that
7 it's --

8 DR. KELLY: Section 2 is background. Regulating
9 gambling is where we deal with the issues I think that you want
10 to deal with.

11 I believe the answer to your question is when we
12 discuss regulating gambling is when we will have opportunity for
13 you to talk about recommendations, for instance, regarding
14 lotteries, Indian gaming, casinos, convenience, pari mutual, and
15 sports.

16 COMMISSIONER LANNI: I don't want to speak for Jim,
17 because obviously I can't, but I think what he is saying is if he
18 wants to talk about Native American gaming, he would like to see
19 it all in one area. And sports wagering, he would like to have
20 the whole picture in one area. I think that's what you are
21 suggesting.

22 COMMISSIONER DOBSON: That is what I'm suggesting. I
23 think it's going to be difficult for the reader to find it if
24 he's got to move to three different sections in order to --

25 COMMISSIONER BIBLE: It seems to me we have got a
26 fundamental question before us right now.

27 CHAIR JAMES: We sure do.

28 COMMISSIONER BIBLE: As to how we are going to organize
29 the report. Are we going to organize it the way we were going
30 down earlier, into 22 or 23 chapters, where we take each activity

1 and describe them, or are we going to roll that up into some
2 broader categories. We need to resolve it fairly soon.

3 COMMISSIONER LOESCHER: Madam Chair?

4 CHAIR JAMES: I would ask Dick to walk us through the
5 rationale again for this particular structure, which --

6 COMMISSIONER LEONE: The rationale is very simple. I'm
7 not saying that we shouldn't do it another way, the way people
8 are suggesting.

9 The rationale was what kind of gambling is there in the
10 United States today. How do we regulate the kind of gambling
11 there is in the United States today? What do we know about its
12 impact on people and places? What do we think we ought to do
13 about it that's different from what we are doing today? And what
14 else do we need to know?

15 Now that may not be an exact outline the way the
16 outline is written, but it is the way a reasonable person might
17 approach this. I mean what is being raised now is a different
18 set of questions. It isn't as though -- if you brought in a
19 class and you sat them down and said now first of all, let me
20 explain to you what kind of gambling there is in the United
21 States today and how it's grown and the various forms it's taken.

22 Now all of it is regulated to some extent, except the
23 illegal, which is sort of a law enforcement problem. Here is how
24 the different forms are regulated. And here is what we know
25 about what its impact has been. There are a lot of things we
26 don't know, but we know some things about it. It's created jobs,
27 it's created pathological gambling.

28 Now, this commission spent two years assembling this
29 portrait of gambling in America today. Here are some things we
30 think ought to happen. Some of us think one thing, some of us

1 think another thing. At the end of the day, whether you support
2 our recommendations or not, we think we all agree on something
3 else, which is we don't know enough and we have a further
4 research agenda which we have proposed to the Government of the
5 United States.

6 Now you know, I understand that it's easy for me to say
7 that and that Jim and Bob and others have a point, which is, if
8 you imagine a real human being who would not read this report
9 from beginning to end, and who would go to it and say "Where's
10 the section on Native American gambling and what do they say?"
11 Gee, they don't say anything in the first place. Or take
12 lotteries, one of my favorite topics. Gee, they just described
13 these lotteries, they don't have anything much to say about them.

14 It may be that we just want to decide that the
15 principal forms of gambling have enough special characteristics
16 so we want to deal with them discretely and comprehensively in
17 particular places.

18 CHAIR JAMES: Let me just make the point--

19 COMMISSIONER LEONE: I have no objection to that.

20 CHAIR JAMES: Let me just make the point that we may be
21 overlooking, maybe we're not. If you look at the outline, we
22 have overview, gambling: past, present, and future.

23 The next section, time for a pause. The next thing,
24 before you get into anything else is a summary of the
25 recommendations. So that is in the overview. So you do have a
26 summary of the recommendations right up front.

27 COMMISSIONER LEONE: That's not written not.

28 CHAIR JAMES: Which isn't written yet because we're not
29 there yet.

1 Having said that, number two, gambling in the United
2 States. Type and prevalence of gambling. What is the big
3 picture scope?

4 Now part of this, what isn't listed here is an
5 introduction, which will say in our attempt to make this a
6 user-friendly document, we have done several things, and we can
7 talk about the fact that we want to give you a broad overview,
8 and have tried to arrange the information in such a way that
9 makes sense. Because there are pluses and minuses of both sides.

10 When we had it broken out by each individual type of
11 gambling, it was even more problematic because when you look at
12 regulations, then you have to go casinos, you have to go
13 lotteries, you have to go Native American. You have to talk
14 about all of those. I mean there are pluses and minuses, ups and
15 downs, of both structures.

16 So the recommendation that Dick made, that Bill and I
17 worked on, got some additional consultation on, was this.
18 Looking at a broad-brush picture of gambling in the United
19 States. Then taking the issue of regulation, and looking at each
20 form of gambling from that perspective. Looking at lotteries.
21 Looking at Indian gaming. Looking at commercial gambling.
22 Advertising and gambling. All of the things that are related to
23 regulation.

24 Then going over the gambling and addiction, because
25 that cuts across all various forms of gambling. So it may be
26 difficult to look at gambling and addiction and lotteries,
27 gambling and addiction and casinos, gambling and addiction -- so
28 it may not be perfect, but it was an attempt to try to structure
29 it to make it more user-friendly.

1 COMMISSIONER LANNI: Madam Chair, I like the format.
2 Maybe a way to compromise to afford Jim's point, which I
3 understand also and appreciate, maybe we could have another page
4 that would take all the major areas of gaming and say if it's
5 lotteries, see sections 1, sections 3, sections 5, and 7,
6 wherever lotteries are covered. If it's commercial gambling or
7 commercial casinos, see these sections. Because it is, it's one
8 or the other. You weaken one --

9 COMMISSIONER BIBLE: We're going to have an index?

10 COMMISSIONER DOBSON: It's not that we can't find it.
11 It's that --

12 COMMISSIONER LANNI: No, but I mean it would highlight
13 it, is what I'm saying.

14 COMMISSIONER DOBSON: We have been working on this for
15 two years. Let me make one more attempt to explain, and
16 obviously I'm out-numbered, so we'll go on. But --

17 COMMISSIONER LOESCHER: No, you're not. I'm on your
18 side.

19 COMMISSIONER DOBSON: You and me, Bob. We've got two
20 years of work here. In that period of time, we developed some
21 pretty emotional perspectives on certain aspects of this. As I
22 again, read my fellow commissioners, it would appear to me that
23 we have some strong feelings about the same things. One of them
24 is the lottery.

25 Yet John indicated that his purpose in this section was
26 to be relatively unemotional and non- controversial, and just
27 kind of give a bland overview so that the person who is reading
28 this doesn't get that sentiment right up front with regard to the
29 issues that are worthy of two years of our work.

1 CHAIR JAMES: Jim, I think they are going to get it
2 right up front when they see the summary of recommendations
3 before they ever even get to this chapter. The recommendations
4 precede this.

5 COMMISSIONER LOESCHER: Madam Chair, I had the floor
6 when all this --

7 CHAIR JAMES: You sure did.

8 COMMISSIONER DOBSON: I apologize again, Bob. I took
9 it away.

10 CHAIR JAMES: But it is a fundamental question. If we
11 are not satisfied with the structure of the documents, this is
12 the place to have that discussion. There are structural issues
13 any way you look at it. It was even more complex when we had 23
14 different chapters and we're referring to regulation and it's 12
15 of them.

16 Leo, and then I'm going to come back to you.

17 COMMISSIONER MCCARTHY: As I understand it, by asking
18 John Shosky, they will do what Terry Lanni was proposing. There
19 will be an index page once we finish this, and under Native
20 American Tribal Gambling, every section that's referred to in
21 here. So anybody that wants a particular segment of the industry
22 will be able to go to it right away.

23 I might also suggest, if you want, after this section
24 of where the exposition, descriptive material, if you want at the
25 end of that free section, we could say see page in the
26 recommendation section, if somebody wants to jump to that right
27 there at that point.

28 CHAIR JAMES: I really do want to resolve this issue.

29 Bob, is your next point related to that?

30 COMMISSIONER LOESCHER: You betcha.

1 CHAIR JAMES: Okay.

2 COMMISSIONER LOESCHER: Madam Chair, you know the
3 business -- I was continuing on, and it has to do with structure.
4 That's what you are talking about. I was very persuaded by the
5 NCAA representatives that came before the Commission with their
6 voluntary recommendations. But that's not in here.

7 Yet we have a long description here of sports betting
8 and intercollegiate thing, and we have an analysis, but then
9 there's no findings and recommendations. I think it fits
10 perfectly to make the argument. But it's being disaggregated by
11 the format and structure of the overall report.

12 Then with regard to the recommendations, you have them
13 up front, sure. The recommendations are there. They will be
14 right up in the front of the book. But it will be disconnected
15 from the context of the environment. Casinos are different than
16 lotteries, and a horse race is different than all this and that.
17 There is no context for the recommendations.

18 I imagine you can have the recommendations printed
19 there, and you can have them also in this same section dealing
20 with the analysis of this separate industry. I am not arguing
21 for too much to change, other than let's try to keep everything
22 together, at least with regard to casinos, with regard to this
23 section, description, findings and recommendations, I think would
24 be very helpful to the reader in this section.

25 The other larger sections which the law asks us to look
26 at, plus which we spent a lot of time and effort on, pathological
27 gaming and regulation and all that, surely can have their
28 sections as well, because those are target areas of the overall
29 effort of our last two years.

1 I argue for both, to have them both in there. But I
2 think we are doing a disservice by doing this indexing idea and
3 scattering the information throughout. So I would argue against
4 the format.

5 CHAIR JAMES: John, I think you had something?

6 DR. SHOSKY: Right. I just have a small footnote. In
7 terms of the NCAA recommendations and all of the recommendations
8 that we heard from various groups, at your direction, Madam
9 Chair, we compiled all that information into a document and sent
10 it to each one of the commissioners.

11 Any of those recommendations, of course, could be
12 introduced, voted on by you at any time. We didn't leave it out
13 to slight anyone. We didn't want to be presumptuous and add it
14 in ourselves. But we provided all that information in the hope
15 that it would be helpful in your own determinations and
16 deliberations.

17 COMMISSIONER LOESCHER: Madam Chairman, last point.

18 CHAIR JAMES: Is it still related to the structure?

19 COMMISSIONER LOESCHER: Well, it had to do with a point
20 Dr. Dobson pointed out and Mr. Lanni spoke about in this section.

21 You know, I don't have a big problem with taking the
22 words out or anything, but you know, dealing with the tribal
23 people who came, testified before our subcommittee, you know, not
24 only did we have the full Commission hearings, where tribal
25 leaders came, but we had six, I believe six regional hearings.
26 It was not just public comments. These people were invited to
27 come and testify before the subcommittee.

28 Also, you know, no disrespect to anybody, but we not
29 only invited governors, and experts, and Senators, and what not,
30 but we invited tribal leaders, who are elected officials of their

1 sovereign governments. They should be denoted the same respect
2 in the writing as anybody else of the same stature. Whether they
3 got paid or not doesn't matter, but it is the tone, it's the idea
4 that troubles me about what we are discussing.

5 CHAIR JAMES: Let me just suggest that at some point in
6 the document, we should acknowledge all the individuals who were
7 great citizens and gave of their time and their energy to
8 participate in this process. I think that should be noted.

9 I am a little more concerned, however, that we reach
10 consensus on the format and structure of the document, and don't
11 want to leave that subject. It is very important, until we have
12 come to some resolution on that.

13 I can tell you, as I said before, that both structures
14 offer their own set of challenges in terms of how you get the
15 information out. But I do believe that this is sufficiently
16 important that we as a Commission should try to reach consensus
17 on that issue, of how this document is structured.

18 COMMISSIONER LANNI: Maybe the best way to do that is I
19 would move that we approve the format as presented most recently.

20 COMMISSIONER BIBLE: I would second that.

21 CHAIR JAMES: It has been moved and properly seconded.

22 COMMISSIONER LOESCHER: Madam Chair?

23 CHAIR JAMES: Commissioner Loescher?

24 COMMISSIONER LOESCHER: We were going to have lunch and
25 discuss things among some commissioners about this debate, but
26 apparently you pushed the button.

27 CHAIR JAMES: I really don't think that we should have
28 lunch and discuss things, Commissioner Loescher.

29 COMMISSIONER BIBLE: He just meant one commissioner.

30 CHAIR JAMES: One commissioner.

1 COMMISSIONER LOESCHER: One on one. At least if I can
2 get some consideration, I need to make an amendment to the motion
3 because I have a problem.

4 CHAIR JAMES: Why don't we do this, and I understand
5 what your issues are. I would ask that we would defer or table
6 that discussion or that vote until we do have a chance to talk
7 about a few things. But --

8 COMMISSIONER BIBLE: You also don't have two
9 commissioners here.

10 CHAIR JAMES: And we are lacking.

11 COMMISSIONER LANNI: I'll withdraw the motion.

12 CHAIR JAMES: Withdraw the motion.

13 COMMISSIONER BIBLE: If he withdraws --

14 COMMISSIONER LEONE: We are going to break for lunch,
15 aren't we?

16 CHAIR JAMES: We are definitely going to break for
17 lunch. But I think the more important discussion to have is the
18 23 chapter document. I would ask you to think about that, and
19 maybe we should come back to that after lunch, and just ask
20 people to think it through, talk it through one on one.

21 COMMISSIONER DOBSON: Is there any middle ground
22 between those two alternatives?

23 CHAIR JAMES: There may be. If you can come up with
24 that and suggest it, that would be helpful.

25 COMMISSIONER BIBLE: Leave out all the information and
26 just put in recommendations.

27 (Laughter.)

28 CHAIR JAMES: That's right.

29 COMMISSIONER LANNI: I doubt -- first of all, a small
30 percentage of the population of this country will read this

1 report. A smaller percentage, and infinitesimally smaller
2 percentage will read anything beyond the conclusions,
3 realistically. I think we have to take that into account also.

4 COMMISSIONER MOORE: I agree with Mr. Lanni. If we're
5 not careful, then maybe that's the way we want it. Maybe that's
6 the reason we organize this way. If I was just out there as a
7 lay person running around with other jobs to do, I would probably
8 just quit reading this report after I read the overview and went
9 through A, B, and C.

10 I mean because that tells you about the past, present,
11 and future of gambling, which all of us sort of like. You like
12 to read stories. The time for a pause, we talk about that. Then
13 the summary of recommendations, what did this group come up with.

14 Are these the summary of recommendations, or are these
15 all the recommendations? Will they be here, that this Commission
16 makes on all different forms in gaming?

17 CHAIR JAMES: I think that was the idea in terms of
18 having them there, so that if you found someone that would only
19 read the first chapter, they would get it all. They would get
20 time for a pause. They would get an overview of where we are,
21 and they would get the recommendations.

22 Having said that, Commissioner Loescher, I think you
23 had one more point that you wanted to make or did you get that
24 in?

25 COMMISSIONER LOESCHER: If you heard it, then I got it
26 in.

27 CHAIR JAMES: Okay. We did. This is just a pause, not
28 a moratorium.

29 (Laughter.)

30 COMMISSIONER LANNI: It's a defined pause.

1 CHAIR JAMES: For a designated period of time, not to
2 exceed one hour and 15 minutes. We will be back here at 1:45,
3 and we stand in recess until then.

4 (Whereupon, at 12:27 p.m., the proceedings recessed for
5 lunch, to reconvene at 1:45 p.m.)

1 A-F-T-E-R-N-O-O-N S-E-S-S-I-O-N

2
3
4 (1:50 p.m.)

5 CHAIR JAMES: Just to wrap up our pre-lunch
6 discussion, we left on a note of looking at the particular
7 chapter "Gambling in the United States" and an overall discussion
8 on where we are with the particular form of the document as it
9 exists right now.

10 And, Jim, I think you were raising some concerns about
11 the overall tone of that particular chapter, which, incidentally,
12 I know many of the Commissioners share with you, and you can
13 count me among them. And if you wanted to address that and see
14 if we could look at how we could particularly -- what kinds of
15 things or directions we could give to our writers and editors.

16 COMMISSIONER DOBSON: Well, I was saying right at the
17 end there that obviously we've got a deadline. This thing has to
18 be written by Friday, which I see as almost impossible. And to
19 start over right now and ask the staff to completely go back to
20 scratch would really set us back almost irretrievably.

21 Furthermore, obviously other people don't agree with
22 what I was saying. So at the end of the morning, I was saying
23 that there ought to be some fallback position. There ought to be
24 some middle ground between the two things that we were talking
25 about.

26 And for me, I think I could feel good about moving to a
27 rewrite of those sections that we were just talking about in
28 gaming, internet, sports wagering, etcetera. What's that
29 category called?

1 CHAIR JAMES: You're talking about gambling in the
2 United States.

3 COMMISSIONER DOBSON: That's right. And to write those
4 in a way that has some passion to it and some -- and a
5 directionality that John, by design, tried not to put into those
6 sections. And that's what has bothered me about it.

7 You open the section on the lottery and you don't have
8 a clue, just by the overview and just by the kind of
9 informational statement there, that the Commission has some
10 strong perspectives on that. If we could rewrite those, I could
11 feel good about it.

12 CHAIR JAMES: Other comments?

13 COMMISSIONER LANNI: Well, one, I think it would depend
14 on how it's rewritten, and I would expect whatever passion
15 involved would be balanced passion.

16 CHAIR JAMES: I think we have reached enough consensus
17 on many of those issues that we ought to be able to reflect the
18 sense of the Commission as we go through in those particular
19 sections. I don't think anyone would feel comfortable with
20 interjecting something there that we have not together as a
21 Commission stated. But we have stated some things that I think
22 are worthy of noting at that point.

23 COMMISSIONER DOBSON: Some of the conclusions of Cook
24 and Clotfelter, for example, even if you didn't put all of the
25 conclusions and all of the research there, the recommendations
26 that they made and the sense of what they were trying to say
27 ought to be reflected in that lottery section.

28 CHAIR JAMES: And I think one other thing -- that since
29 this is a sort of -- I hate to use the term "overview" -- but a
30 general chapter looking at gambling in the United States, that if

1 we have the ability to refer to other parts of the documents
2 there it would be helpful. See Chapter so and so, or for further
3 discussion look there. But that would be helpful as well.

4 What will happen at this point, then, is that there
5 will be some editing and rewriting there. And as soon as the
6 staff has completed that process we will get this again for
7 another look.

8 John?

9 DR. SHOSKY: Madam Chair, this brings us to the third
10 chapter, which is called "Regulating Gambling." And this is our
11 regulation chapter. We discussed the regulation of lotteries.

12 CHAIR JAMES: Excuse me just a minute. Commissioner
13 Lanni?

14 COMMISSIONER LANNI: I have one question, Madam Chair.
15 We had a matter that was going to be redrafted by Mr. Leone, the
16 famous issue of moratorium or pause. Is that going to be dealt
17 with now or --

18 CHAIR JAMES: It will be dealt with as soon as we can
19 --

20 COMMISSIONER LANNI: Find him.

21 CHAIR JAMES: -- find him.

22 (Laughter.)

23 COMMISSIONER LOESCHER: And, Madam Chair, we have one
24 motion still pending.

25 CHAIR JAMES: That has been tabled until such time as
26 you tell me we're ready to talk about it.

27 Okay. Having said that, next chapter?